



B3's New Regulation of the New Market

On October 3, B3 S.A. – Brasil, Bolsa, Balcão (stock exchange) published the new Regulation of the New Market, which will come into force on January 2, 2018.

The New Market (Novo Mercado) is the segment that lists open capital companies in B3 with the highest corporate governance standard, among the existing segments (Básico, Bovespa Mais, Bovespa Mais 2, Nível 1, Nível 2 and Novo Mercado).

Companies that join the Novo Mercado in January 2, 2018, will be immediately subject to the rules set forth by the new Regulation.

Companies listed on the Novo Mercado before that date must comply with the transition policy, whose deadlines for adaptation to the new rules vary according to the matter.

Thus, companies listed in this segment before the new regulation comes into force must fulfill, as of 2018, the rules regarding the disclosure of resignation or replacement of administrators; disclosure of relevant facts and press release of results in English and Portuguese at the same time; annual schedule; communication about the equity stake held by controlling shareholders and related persons; etc.

Other obligations provided for in the new Regulation, such as, for example, adjustment of the number of members of the board of directors; creation of the audit committee, role of the internal audit, and compliance; approval of the code of conduct; evaluation of the management bodies to be disclosed in reference form, among others, should be implemented until the annual general meeting occurring in 2021.

This warning contains information and general comments on legal matters that may interest our clients and friends. It does not represent the legal opinion of our firm on the subjects addressed herein. In specific cases, readers should rely on proper legal assistance before adopting any concrete action relating to the matters addressed herein.

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